



**Office of Campaign Finance
REPORTS ANALYSIS & AUDIT DIVISION
WASHINGTON, DC**

**THE COMMITTEE TO ELECT THOMAS CLAYTON WELLS
POLITICAL CAMPAIGN COMMITTEE REVIEW
2000 ELECTION YEAR**

**REPORT NO. RAAD-02-0002-TCW
JUNE 2003**

DATE: June 25, 2003

REPLY TO

ATTN OF: RAAD-02-0002-TCW

SUBJECT: Committee to Elect Thomas Clayton Wells
Political Campaign Committee Review
2000 Election Year

TO: David P. Sheldon, Treasurer
Law Offices of David P. Shelton
Barracks Row
512 8th Street S.E.
Washington, D.C. 20003

This report presents the results of our audit of the Committee to Elect Thomas Clayton Wells (Committee). Our audit was designed to evaluate whether the Committee obtained and preserved from the date of registration, a detailed record of all contributions and expenditures disclosed in reports and statements filed with the Director of the Office of Campaign Finance. Our audit disclosed that the Committee failed to report expenditures in the total sum of \$338.18 which were incurred during the election campaign in the Reports of Receipts and Expenditures (R&E) which were filed with the Office of Campaign Finance (OCF).

BACKGROUND:

The Committee to Elect Thomas Clayton Wells (Committee) filed its Statement of Candidacy, the Statement of Organization and the Statements of Acceptance for the positions of Treasurer and Chairman on June 10, 2000, with the Office of Campaign Finance (OCF), for election to the School Board, Ward 6. OCF records disclosed that during the period May 1999 through October 2001, the Committee reported receipts and expenditures totaling \$28,060.00

The D.C. Campaign Finance Reform and Conflict of Interest Act of 1974, as amended, D.C. Official Code, Sections 1-1101.01 et seq., (2001 Edition), 88 Stat. 447, Public Law 93-376 (hereinafter the "Campaign Finance Act") was enacted by Congress on August 14, 1974, to provide a means of monitoring and enforcing campaign finance laws, and the financial disclosure of candidates and political committees in the District of Columbia. The primary goal of this legislation is to require that local candidates seeking election and

treasurers of political committees make complete and full disclosures. Various provisions of the Campaign Finance Act are clarified by regulations promulgated by the Office of Campaign Finance (OCF) with the approval of the Board of Elections and Ethics. OCF regulations are cited under Chapters 30 through 37 of Title III, "Elections and Ethics", of the D.C. Municipal Regulations.

OBJECTIVES:

The overall objectives of our review were to determine whether: (1) the Committee had established controls and procedures to ensure that expenditures were properly supported by invoices, cancelled checks and other supporting documentation; (2) the lease or rental of office space, furniture and equipment, etc. for the campaign were properly supported by a lease or rental agreement; (3) the Committee established procedures and controls to ensure that contributions received did not exceed the contribution limitation for the office being sought; (4) the committee's records disclosed the contributor's full name, mailing address, occupation and principal place of business; (5) the committee's records contained information on partnerships including a letter from the contributing partnership indicating attribution of contributions to specific partners; and (6) all activities of the Committee were conducted in accordance with the District's campaign finance laws.

SCOPE:

The audit was conducted in accordance with generally accepted government auditing standards and covered the campaign operations for the period of May 1999 through October 2001. The audit fieldwork began in July 2002 and ended in October 2002. The auditor obtained all records, reports and statements from the committee as well as all information filed by the committee at the Office of Campaign Finance (OCF). The audit fieldwork was performed at the Auditor's Office.

METHODOLOGY OF AUDIT:

To accomplish the audit objectives we:

- Obtained and reviewed all records filed by the campaign with OCF;
- Obtained and reviewed all records and statements maintained by the candidate;
- Cross-checked payment invoices to bank statements and individual checks;
- Obtained copies of partnership agreements or certificates and/or any other documentation detailing the individual owner(s) and the percentage of ownership interest from the District of Columbia's Office of Consumer and Regulatory

Affairs, the Department of Assessment and Taxation for the State of Maryland, and State Corporation Commission for the Commonwealth of Virginia.

AUDIT RESULTS:

The Committee failed to report all expenditures incurred during the election campaign in the Reports of Receipts and Expenditures (R&E) which was filed with OCF. Our review disclosed that the Committee failed to report expenditures totaling \$338.18 in its R&E reports. We were unable to make a determination as to why the expenditures were omitted. As a result, the records at OCF did not contain all of the activities of the Committee and the omissions violated the District's campaign finance laws and regulations.

D.C. Official Code § 1-1102.06 provides that each Committee should file with the Director reports detailing the full name, mailing address, occupation and principal place of business, if any, of each person to whom expenditures have been made, either by or on the behalf of the committee or candidate, within the calendar year, in an aggregate amount or value of \$10 or more. The report must also detail the amount, date, and purpose of each such expenditure, and the name, address and office sought by each candidate on whose behalf such expenditure was made; and the total sum of expenditures made by the committee or candidate during the calendar year.

Our review of the Committee's expenditure records, which were cross matched to the R&E filed by the Committee with OCF, disclosed that check number 134 dated October 2, 2000 totaling \$222.07 and check number 132 dated November 17, 2000 for \$116.11 had been omitted from its reports filed at OCF.

Recommendation No. 1:

Ensure that all campaign related expenditures are properly reported to OCF. In addition, revise the applicable R&E reports to properly reflect the omitted expenditures.

Committee Response:

The Committee accepts the recommendations of the audit and will file two amendments to our Receipts and Expenditures Reports for two checks totaling \$338.18 that were issued by the Campaign.

Audit Position:

We accept the Committee's corrective action.

CONCLUSIONS AND REQUIRED COMMITTEE ACTIONS:

Your June 18, 2003, response to the draft report has been included as Exhibit A of this report. In accordance with the Audit Division's policies and procedures, final action on this report is achieved upon issuance and there is no further action required by the Committee.

/S/

Richard Mathis
Supervisory Auditor

EXHIBIT A – COMMITTEE'S RESPONSE TO DRAFT REPORT

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LAW OFFICES OF DAVID P. SHELDON, P.L.L.C.
BARRACKS ROW
512 8TH STREET, S.E.
WASHINGTON, D.C. 20003
TEL. (202) 546-9575 TOLL FREE (866) 546-9575
FAX (202) 546-0135
WWW.DAVIDSHELDONLAW.COM

DAVID P. SHELDON (DC, MD, MT)

June 18, 2003

KAREN L. HECKER (CO, DC, MD)

Mr. Richard Mathis
Supervisory Auditor
Office of Campaign Finance
District of Columbia Board of Elections and Ethics
Frank D. Reeves Municipal Building, Suite 420
2000 14th Street, NW
Washington, DC 20009

Dear Mr. Mathis:

On behalf of Tommy Wells, District of Columbia Board of Education Representative for District 3, I am submitting this response to your June 2003 audit conducted by the Office of Campaign Finance. Let me begin by acknowledging the thorough and professional job that your staff conducted in completing this audit. The audit identified only one issue where the campaign improperly complied with D.C. campaign finance law. I provide the following specific response to the audit detailed by the issue raised.

Issue. Whether or not the Committee Failed to Report All Campaign Expenditures Incurred to the Office of Campaign Finance. Your Office found that the Campaign did not include two checks totaling \$338.18 that were issued by the Campaign on two Receipts and Expenditures Reports. The Office recommended that the Committee file amended Reports. The Committee accepts the recommendations of the audit and will file two amendments to our Receipts and Expenditures Reports for two checks totaling \$338.18 that were issued by the Campaign. The reports will be filed under separate cover.

If you have any questions, please call me. Thank you.


David P. Sheldon

EXHIBIT A – COMMITTEE'S RESPONSE TO DRAFT REPORT

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Mr. Richard Mathis
Supervisory Auditor
Office of Campaign Finance
June 18, 2003
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Copy to:

Mr. Tommy Wells